

**100 multiple choice questions of
Essential Commodities Act:**

1. The Essential Commodities Act was enacted in which year?

a) 1950

b) 1955

c) 1960

d) 1965

Ans : b) 1955

2. The Essential Commodities Act aims to control the production, supply, and distribution of which items?

- a) Luxury goods
- b) Essential commodities
- c) Imported goods
- d) Industrial products

Ans : b) Essential commodities

3. Which ministry administers the Essential Commodities Act?

- a) Ministry of Finance
- b) Ministry of Home Affairs
- c) Ministry of Consumer Affairs, Food and Public Distribution
- d) Ministry of Commerce

Ans : c) Ministry of Consumer Affairs, Food and Public
Distribution

4. Under the Essential Commodities Act, who has the power to declare an item as an essential commodity?
- a) State Government
 - b) President of India
 - c) Prime Minister of India
 - d) Central Government

Ans : d) Central Government

5. The Act provides for the regulation of the price at which essential commodities can be sold. This is known as:
- a) Price control
 - b) Market regulation
 - c) Price stabilization
 - d) Price indexing

Ans : a) Price control

6. What is the maximum punishment for violating the Essential Commodities Act?

- a) Fine
- b) Imprisonment up to 6 months
- c) Imprisonment up to 1 year
- d) Imprisonment up to 7 years

Ans : d) Imprisonment up to 7 years

7. Which of the following can be declared as essential commodities under the Act?
- a) Foodstuffs
 - b) Drugs
 - c) Fertilizers
 - d) All of the above

Ans : d) All of the above

8. Who has the authority to fix the stock limit for essential commodities?

- a) Central Government
- b) State Government
- c) District Magistrate
- d) Local Government

Ans : a) Central Government

9. The Essential Commodities Act is an example of:

- a) Trade policy
- b) Economic policy
- c) Social policy
- d) Agricultural policy

Ans : b) Economic policy

10. Under the Act, which body has the power to inspect and seize the essential commodities?

- a) Police Department
- b) Food and Civil Supplies Department
- c) Customs Department
- d) Income Tax Department

Ans : b) Food and Civil Supplies Department

11. What is the primary objective of the Essential Commodities Act?

- a) To promote exports
- b) To ensure availability of essential commodities
- c) To control pollution
- d) To regulate the stock market

Ans : b) To ensure availability of essential commodities

12. Which section of the Essential Commodities Act deals with penalties?

- a) Section 3
- b) Section 5
- c) Section 7
- d) Section 9

Ans : c) Section 7

13. Under the Essential Commodities Act, who can be punished for hoarding essential commodities?

- a) Retailers
- b) Wholesalers
- c) Manufacturers
- d) All of the above

Ans : d) All of the above

14. The Essential Commodities Act empowers which authority to regulate the production of essential commodities?

- a) State Government
- b) Central Government
- c) Local Government
- d) Judicial Authority

Ans : b) Central Government

15. What type of legislation is the Essential Commodities Act?

- a) Central legislation
- b) State legislation
- c) Local legislation
- d) International legislation

Ans : a) Central legislation

16. Which of the following is NOT a purpose of the Essential Commodities Act?

- a) Preventing black marketing
- b) Ensuring equitable distribution
- c) Encouraging foreign investment
- d) Regulating prices

Ans : c) Encouraging foreign investment

17. The Essential Commodities Act is enforced by which of the following authorities?

- a) Reserve Bank of India
- b) Securities and Exchange Board of India
- c) State Governments
- d) Election Commission

Ans : c) State Governments

18. Under the Act, how often can the Central Government review the list of essential commodities?

- a) Every 3 years
- b) As required
- c) Annually
- d) Every 5 years

Ans : b) As required

19. Which of the following is a key feature of the Essential Commodities Act?

- a) It imposes tariffs on imports
- b) It regulates the sale and distribution of essential commodities
- c) It controls the production of luxury items
- d) It promotes free market economy

Ans : b) It regulates the sale and distribution of essential commodities

20. The Essential Commodities Act helps in curbing which of the following malpractices?

- a) Stockpiling
- b) Hoarding
- c) Black marketing
- d) All of the above

Ans : d) All of the above

21. Who can file a complaint under the Essential Commodities Act?

- a) Any citizen
- b) Only government officials
- c) Only wholesalers
- d) Only retailers

Ans : a) Any citizen

22. What role do State Governments play under the Essential Commodities Act?

- a) They can enforce the Act within their jurisdiction
- b) They can amend the Act
- c) They can repeal the Act
- d) They have no role

Ans : a) They can enforce the Act within their jurisdiction

23. The Essential Commodities Act is intended to protect the interests of:

- a) Consumers
- b) Producers
- c) Exporters
- d) Importers

Ans : a) Consumers

24. Under the Act, which of the following is an example of an essential commodity?

- a) Mobile phones
- b) Automobiles
- c) Edible oils
- d) Jewelry

Ans : c) Edible oils

25. The Essential Commodities Act provides powers to the government to regulate:

- a) Manufacturing
- b) Distribution
- c) Pricing
- d) All of the above

Ans : d) All of the above

26. How can the list of essential commodities be modified?

- a) Through a legislative amendment
- b) By the Central Government notification
- c) By the Supreme Court order
- d) By the President's executive order

Ans : b) By the Central Government notification

27. The enforcement of the Essential Commodities Act is primarily the responsibility of:

- a) Central Government
- b) State Governments
- c) Municipal Authorities
- d) Panchayats

Ans : b) State Governments

28. What happens to the essential commodities that are confiscated under the Act?

- a) They are auctioned
- b) They are destroyed
- c) They are redistributed
- d) They are returned to the owner

Ans : c) They are redistributed

29. The Essential Commodities Act is crucial for ensuring:

- a) Export growth
- b) Internal security
- c) Food security
- d) Technological advancement

Ans : c) Food security

30. Which of the following bodies assists in the implementation of the Essential Commodities Act?

- a) Reserve Bank of India
- b) Ministry of Home Affairs
- c) District Collectors
- d) Election Commission

Ans : c) District Collectors

31. Which year saw significant amendments to the Essential Commodities Act?

- a) 2005
- b) 2010
- c) 2015
- d) 2020

Ans : d) 2020

32. The Essential Commodities Act can be invoked during:

- a) Normal times
- b) Wartime
- c) Natural disasters
- d) All of the above

Ans : d) All of the above

33. What is one of the main challenges in enforcing the Essential Commodities Act?

- a) Lack of commodities
- b) Legal loopholes
- c) Public awareness
- d) Technological barriers

Ans : b) Legal loopholes

34. Under the Essential Commodities Act, the power to inspect premises is given to:
- a) Police officers
 - b) District Magistrates
 - c) Food Inspectors
 - d) All of the above

Ans : d) All of the above

35. Which of the following sectors is NOT directly affected by the Essential Commodities Act?

- a) Agriculture
- b) Retail
- c) IT services
- d) Pharmaceuticals

Ans : c) IT services

36. Who benefits the most from the regulation of prices under the Essential Commodities Act?

- a) Manufacturers
- b) Exporters
- c) Consumers
- d) Importers

Ans : c) Consumers

37. Under the Essential Commodities Act, what action can be taken against a violator?

- a) Imprisonment
- b) Fine
- c) Both imprisonment and fine
- d) Warning

Ans : c) Both imprisonment and fine

38. The Essential Commodities Act helps to stabilize prices during:

- a) Economic booms
- b) Economic recessions
- c) Festive seasons
- d) Periods of scarcity

Ans : d) Periods of scarcity

39. The Act is often used to regulate which of the following during emergencies?

- a) Entertainment services
- b) Educational materials
- c) Medical supplies
- d) Sports equipment

Ans : c) Medical supplies

40. The Essential Commodities Act helps prevent:

- a) Inflation
- b) Deflation
- c) Shortages
- d) Overproduction

Ans : c) Shortages

41. Which of the following can be a consequence of not regulating essential commodities?

- a) Price stability
- b) Market efficiency
- c) Hoarding
- d) Increased production

Ans : c) Hoarding

42. The Essential Commodities Act is a part of which type of policy?

- a) Monetary policy
- b) Fiscal policy
- c) Economic policy
- d) Trade policy

Ans : c) Economic policy

43. The list of essential commodities under the Act is decided by:

- a) Central Government
- b) State Governments
- c) Local Governments
- d) Public referendum

Ans : a) Central Government

44. The Essential Commodities Act was enacted during which historical period in India?

- a) British rule
- b) Post-independence
- c) Pre-independence
- d) Mughal era

Ans : b) Post-independence

45. The Act aims to ensure that essential commodities are available at:

- a) Market-driven prices
- b) Controlled prices
- c) Premium prices
- d) Discounted prices

Ans : b) Controlled prices

46. Who can make amendments to the Essential Commodities Act?

- a) State Legislature
- b) Central Legislature
- c) Supreme Court
- d) President of India

Ans : b) Central Legislature

47. What is the main focus of the Essential Commodities Act?

- a) Economic growth
- b) Public welfare
- c) Industrial development
- d) Foreign trade

Ans : b) Public welfare

48. The Essential Commodities Act is especially important during:

- a) Economic stability
- b) Political stability
- c) Crises and emergencies
- d) Normal periods

Ans : c) Crises and emergencies

49. The Essential Commodities Act gives the government the power to:

- a) Increase taxes
- b) Fix prices
- c) Provide subsidies
- d) Decrease exports

Ans : b) Fix prices

50. What is the impact of the Essential Commodities Act on small retailers?

- a) Negative impact
- b) Positive impact
- c) No impact
- d) Variable impact

Ans : b) Positive impact

51. Under the Act, commodities can be seized by:

- a) Police
- b) Civil supplies officials
- c) Magistrates
- d) Any government official

Ans : d) Any government official

52. The Essential Commodities Act helps in maintaining:

- a) Law and order
- b) Market balance
- c) Political stability
- d) Environmental balance

Ans : b) Market balance

53. The Act also aims to prevent which unethical practice?

- a) Underpricing
- b) Overpricing
- c) Counterfeiting
- d) Monopoly

Ans : b) Overpricing

54. Which section of the Act deals with the power to control production, supply, and distribution?

- a) Section 3
- b) Section 5
- c) Section 7
- d) Section 9

Ans : a) Section 3

55. Essential commodities declared under the Act are meant to serve:

- a) Government officials
- b) General public
- c) Foreign nationals
- d) Industrialists

Ans : b) General public

56. What is the role of district collectors under the Essential Commodities Act?

- a) Implement the Act locally
- b) Amend the Act
- c) Repeal the Act
- d) None of the above

Ans : a) Implement the Act locally

57. Who can be appointed as an inspector under the Essential Commodities Act?

- a) Any citizen
- b) Government officials
- c) Private contractors
- d) Politicians

Ans : b) Government officials

58. Which of the following is NOT a goal of the Essential Commodities Act?

- a) Ensuring equitable distribution
- b) Facilitating black marketing
- c) Controlling prices
- d) Reg

Ans : b) Facilitating black marketing

ulating supply

59. What happens if a commodity is found to be hoarded?

- a) It is returned to the hoarder
- b) It is confiscated
- c) It is sold at a higher price
- d) It is destroyed

Ans : b) It is confiscated

60. The Essential Commodities Act is often reviewed and amended to:

- a) Increase its effectiveness
- b) Increase government revenue
- c) Promote foreign trade
- d) Decrease its scope

Ans : a) Increase its effectiveness

61. The Essential Commodities Act helps protect consumers from:

- a) Fair pricing
- b) Price gouging
- c) Market competition
- d) Globalization

Ans : b) Price gouging

62. Which of the following is a direct outcome of the Essential Commodities Act?

- a) Increase in exports
- b) Decrease in imports
- c) Stable prices
- d) Economic slowdown

Ans : c) Stable prices

63. Which agency typically conducts raids under the Essential Commodities Act?

- a) Police department
- b) Food and Civil Supplies department
- c) Customs department
- d) Income Tax department

Ans : b) Food and Civil Supplies department

64. What can be a possible penalty for violation under the Essential Commodities Act?

- a) Community service
- b) Deportation
- c) Imprisonment and/or fine
- d) Cancellation of citizenship

Ans : c) Imprisonment and/or fine

65. The Essential Commodities Act has been designed to operate during:

- a) War only
- b) Peace only
- c) Both peace and emergencies
- d) Financial crises

Ans : c) Both peace and emergencies

66. How does the Essential Commodities Act impact farmers?

- a) By reducing crop prices
- b) By stabilizing market prices
- c) By increasing transportation costs
- d) By promoting exports

Ans : b) By stabilizing market prices

67. The Act applies to which geographical area?

- a) Only urban areas
- b) Only rural areas
- c) Entire country
- d) Specific states

Ans : c) Entire country

68. Who has the authority to amend the list of essential commodities?

- a) Parliament
- b) Prime Minister
- c) Central Government
- d) State Governments

Ans : c) Central Government

69. Under the Act, what can be a reason for declaring an item as essential?

- a) High demand
- b) Scarcity
- c) Price volatility
- d) All of the above

Ans : d) All of the above

70. The Act is crucial for maintaining which of the following in the economy?

- a) Supply chain efficiency
- b) Banking sector stability
- c) Industrial growth
- d) Foreign exchange reserves

Ans : a) Supply chain efficiency

71. Which of the following is NOT a characteristic of essential commodities?

- a) Necessity for daily life
- b) Price volatility
- c) Luxury status
- d) Scarcity

Ans : c) Luxury status

72. The Essential Commodities Act has provisions for:

- a) Price support
- b) Price control
- c) Price deregulation
- d) Price subsidy

Ans : b) Price control

73. Who can declare an emergency under the Essential Commodities Act?

- a) President of India
- b) Prime Minister of India
- c) Central Government
- d) State Governments

Ans : c) Central Government

74. What is the impact of the Act on the availability of goods?

- a) Increases availability
- b) Decreases availability
- c) No impact
- d) Reduces demand

Ans : a) Increases availability

75. The Essential Commodities Act aims to protect:

- a) Government revenue
- b) Industrial profits
- c) Consumer interests
- d) Foreign investments

Ans : c) Consumer interests

76. Under the Act, which authority can regulate the distribution of essential commodities?

- a) Local authorities
- b) Central Government
- c) State Governments
- d) Both Central and State Governments

Ans : d) Both Central and State Governments

77. What is a common criticism of the Essential Commodities Act?

- a) It is too lenient
- b) It leads to market inefficiencies
- c) It promotes monopolies
- d) It discourages investment

Ans : b) It leads to market inefficiencies

78. Which of the following measures can be taken under the Essential Commodities Act?

- a) Fixing maximum prices
- b) Banning sales
- c) Regulating storage
- d) All of the above

Ans : d) All of the above

79. The Essential Commodities Act primarily targets which economic issue?

- a) Inflation
- b) Deflation
- c) Supply shortages
- d) Trade deficits

Ans : c) Supply shortages

80. Which of the following is NOT regulated by the Essential Commodities Act?

- a) Production
- b) Export
- c) Storage
- d) Distribution

Ans : b) Export

81. The Essential Commodities Act is important for which of the following reasons?

- a) Ensuring fair trade
- b) Promoting exports
- c) Protecting consumer rights
- d) Reducing taxes

Ans : c) Protecting consumer rights

82. How does the Act affect black marketing?

- a) Encourages it
- b) Regulates it
- c) Reduces it
- d) Ignores it

Ans : c) Reduces it

83. The Essential Commodities Act is an example of which type of law?

- a) Civil law
- b) Criminal law
- c) Regulatory law
- d) Constitutional law

Ans : c) Regulatory law

84. What is the relationship between the Essential Commodities

Act and public welfare?

- a) Indirect relationship
- b) No relationship
- c) Direct relationship
- d) Adverse relationship

Ans : c) Direct relationship

85. Which of the following sectors benefits the most from the Essential Commodities Act?

- a) Service sector
- b) Agricultural sector
- c) IT sector
- d) Real estate sector

Ans : b) Agricultural sector

86. The Essential Commodities Act was introduced by which government?

- a) British Government
- b) State Government
- c) Central Government
- d) Local Government

Ans : c) Central Government

87. The Act helps in controlling which of the following during crises?

- a) Industrial production
- b) Essential goods prices
- c) Import tariffs
- d) Export duties

Ans : b) Essential goods prices

88. What happens to violators of the Essential Commodities Act?

- a) They receive subsidies
- b) They are fined and/or imprisoned
- c) They get tax exemptions
- d) They are rewarded

Ans : b) They are fined and/or imprisoned

89. The Essential Commodities Act has provisions for:

- a) Deregulation
- b) Price control
- c) Export promotion
- d) Import substitution

Ans : b) Price control

90. Which of the following is NOT an objective of the Essential Commodities Act?

- a) Preventing black marketing
- b) Ensuring equitable distribution
- c) Promoting exports
- d) Controlling prices

Ans : c) Promoting exports

91. The Essential Commodities Act ensures that essential goods are:

- a) Imported
- b) Stockpiled
- c) Available at reasonable prices
- d) Exported

Ans : c) Available at reasonable prices

92. What is one of the consequences of not implementing the Essential Commodities Act?

- a) Price stability
- b) Increased black marketing
- c) Market efficiency
- d) Economic growth

Ans : b) Increased black marketing

93. Under the Act, the power to control the price of essential commodities lies with:

- a) Central Government
- b) State Governments
- c) Local Governments
- d) Private sector

Ans : a) Central Government

94. Which of the following is a benefit of the Essential Commodities Act?

- a) Decreased production costs
- b) Reduced consumer prices
- c) Increased hoarding
- d) Encouraged speculation

Ans : b) Reduced consumer prices

95. What type of items can be declared as essential commodities?

- a) Luxury goods
- b) Everyday necessities
- c) Imported goods
- d) Industrial products

Ans : b) Everyday necessities

96. Which section of the Act gives power to make orders providing for the regulation of production, supply, and distribution of essential commodities?

- a) Section 3
- b) Section 5
- c) Section 7
- d) Section 9

Ans : a) Section 3

97. Who can amend the provisions of the Essential Commodities Act?

- a) Parliament
- b) State Legislature
- c) Supreme Court
- d) President of India

Ans : a) Parliament

98. The Essential Commodities Act helps in maintaining:

- a) High prices
- b) Price stability
- c) Market speculation
- d) Luxury market

Ans : b) Price stability

99. Which of the following is a direct effect of hoarding essential commodities?

- a) Price stability
- b) Price rise
- c) Increased supply
- d) Reduced demand

Ans : b) Price rise

100. How does the Essential Commodities Act benefit the common man?

- a) By ensuring availability of essential goods at fair prices
- b) By promoting luxury items
- c) By increasing taxes
- d) By reducing subsidies

Ans : a) By ensuring availability of essential goods at fair prices